



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 03-27, Bowling Green, Kentucky, City Income Tax Withholding

Date: November 13, 2003

To: Holders of TAXES (State of Kentucky only)
Personnel User Groups
T&A Contact Points in Kentucky

Beginning with wages paid for Pay Period 23, the city of Bowling Green, Kentucky, will increase its resident and nonresident city income tax withholding rate from 1.5 percent to 2 percent.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the National Finance Center (NFC) home page (www.nfc.usda.gov) and click **Pubs & Forms**. Then at the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes on the tax formula are identified by “►◄”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. For questions about system access and other system-related issues, contact Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov. For questions about this bulletin, call **504-255-5322** or send an e-mail to nfc.pvct@usda.gov.

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Kentucky Cities Income Tax Information and Withholding Formula

► Effective Pay Period 23, 2003 ◄

1. Subtract nontaxable Federal Health Benefits Plan payments from the gross biweekly wages.
2. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
3. Determine the annual Kentucky city income tax withholding by applying the following guideline to the annual wages.

Compute the City Income Tax Withholding For:

By Multiplying the Annual Wages By:

	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station=DS Residence=R)
Bowling Green	21/0350	► 2.00	2.00 ◄	DS
Covington	21/0800	2.50 ¹	2.50 ¹	DS
Florence	21/1150	1.25 ²	1.25 ²	DS
Frankfort	21/1220	1.75	1.75	DS, R
Lexington-Fayette	21/1980	2.25	2.25	DS
Louisville	21/2090	2.20	1.45	DS
Owensboro	21/2490	1.00	1.00	DS
Paducah (voluntary)	21/2520	1.50	1.50	
Richmond	21/2750	2.00	2.00	DS

¹ Maximum withholding wage base of \$87,000 (maximum annual withholding of \$2,175.00).

² Maximum withholding wage base of \$87,000 (maximum annual withholding of \$1,087.50).

Note: City tax is mandatory unless otherwise indicated.

4. Divide the annual Kentucky city income tax withholding by 26 to obtain the biweekly Kentucky city income tax withholding.